



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

A

WELL PERMIT

| DEP USE ONLY | |
|--|--------------------------|
| Permittee's eFACTS ID 213205 | Auth ID 821700 |
| Watershed Name E. Fork Sinnemahoning Creek | Quality HQ |

| | | | | |
|---|---|--|---|------------------------------------|
| Permittee PENNSYLVANIA GENERAL ENERGY COMPANY, L.L.C. | | OGO.# OGO-63025 | Permit Number 37-105-21651- | Date Issued 03/15/2010 |
| Address 120 MARKET ST | | Farm Name & Well Number PINE HILL PAD A 2413 | | Well Serial # |
| | | Municipality Wharton | County Potter | |
| WARREN, PA 16365 | | 7½" Quadrangle Name Conrad | | Map Section # 3 |
| Phone (814) 723-3230 | Project # | | Latitude 41-36-53.2781 | Longitude -77-52-35.0550 |
| Surf Elev at Site 1548 feet | Anticipated Total Depth 6100 feet | Well Type GS | Offset distances referenced to NE corner of map section. South 3740 feet West 460 feet | |

This permit covering the well operator and well location shown above is evidence of permission granted to conduct activities in accordance with the Oil and Gas Act and the Oil and Gas Conservation Law, if the well is subject to that act and any rules and regulations promulgated thereunder, subject to the conditions contained herein and in accordance with the application submitted for this permit. This permit does not convey any property rights.

This permit and the permittee's authority to conduct the activities authorized by this permit are conditioned upon operator's compliance with applicable law and regulations.

Notification must be given to the district oil and gas inspector, the surface landowner and political subdivision of the date well drilling will begin at least 24 hours prior to commencement of drilling activities.

The permittee hereby authorizes and consents to allow, without delay, employees or agents of the Department to have access to and to inspect all areas upon presentation of appropriate credentials, without advance notice or a search warrant. This includes any property, facility, operation or activity governed by the Oil and Gas Act, the Oil and Gas Conservation Law, the Coal and Gas Resource Coordination Act and other statutes applicable to oil and gas activities administered by the Department. The authorization and consent shall include consent to the Department to collect samples of wastewaters or gases, to take photographs, to perform measurements, surveys, and other tests, to inspect any monitoring equipment, to inspect the methods of operation and disposal, and to inspect and copy documents required by the Department to be maintained. The authorization and consent includes consent to the Department to examine books, papers, and records pertinent to any matter under investigation pursuant to the Oil and Gas Act or pertinent to a determination of whether the operator is in compliance with the above referenced statutes. This condition in no way limits any other powers granted to the Department under the Oil and Gas Act and other statutes, rules and regulations applicable to these activities as administered by the Department.

This permit does not relieve the operator from the obligation to comply with the Clean Streams Law and all statutes, rules and regulations administered by the Department.

Special Permit Conditions:

The permittee shall not withdraw or use water from water sources within the Commonwealth of Pennsylvania, for well fracing activities, unless the permittee does so in accordance with a Water Management Plan approved by the Department.

Permittee shall obtain a permit or Environmental Assessment approval from the Department prior to the construction of any dam, reservoir, water obstruction, and/or encroachment for which a permit or Environmental Assessment approval is required by 25 Pa. Code Chapter 105. Any dam embankment including centralized dam embankments utilized to impound freshwater or frac water associated with well fracing not requiring a permit pursuant to 25 Pa. Code Chapter 105 will be constructed in accordance with requirements of 25 Pa. Code §§ 78.56-78.63 and Department guidelines 5500-PM-OG0085 entitled, Design, construction and maintenance standards for dam embankments associated with impoundments for oil and gas wells.

Prior to fracturing the well, as part of its Preparedness, Prevention and Contingency Plan the permittee shall implement a Control and Disposal Plan for the control and disposal of fluids and residual wastes in accordance with 25 Pa. Code § 78.55. The Control and Disposal Plan shall identify the control and disposal methods and practices utilized to prevent pollutants from directly or indirectly reaching waters of the Commonwealth during the impoundment, production, processing and transportation of pollutants, including identification of the permitted processing or disposal facilities where residual wastes will be processed or disposed, in accordance with 25 Pa. Code §§ 78.55 and 91.34.

Prior to transport of the residual wastewater off site, chemical analysis and characterization of the waste shall be conducted and provided to the processing or disposal facility intended for acceptance of the waste in accordance with 25 Pa. Code § 287.54.

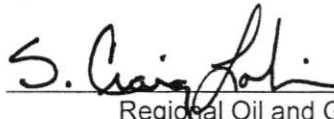
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MAR 22 2010

OIL & GAS

The operator shall run a complete angular deviation survey of the intentionally deviated well. The deviation survey is to be obtained by a responsible well surveying company and shall be filed with the Department within thirty (30) days after well drilling together with other regularly required reports.

This permit expires 03/15/2011 unless drilling is commenced on or before that date and prosecuted with due diligence.



Regional Oil and Gas Program Manager

Michael Panettieri
Oil & Gas Inspector

600 Gateway Drive
Mansfield, PA 16933

570-662-0832
Telephone



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL & GAS MANAGEMENT PROGRAM

| | |
|--------------|-----------|
| DEP USE ONLY | |
| AUTH # | NC |
| Check # | 195921 |
| Amount | \$ 850.00 |

#3000
+ 250
#3250

PERMIT APPLICATION FOR DRILLING OR ALTERING A WELL

| | | | |
|-------|--------------------------|-----------------|---------------------------------------|
| Notes | | DEP USE ONLY | |
| M | OGO # | 63025 | Objection Date - Do not issue before: |
| | Bond # | 9307 | 2/17/10 |
| | C: 2/2/10 del G: 2/17/10 | Date Approved: | Well Permit # |
| | INV: 3-15-10 | 2/25/10 | 105-24651 |
| | | Special Cond. | A B C D <u>E</u> F |
| | | Watershed Name: | EAST FORK SINNEMAHONG |
| | | Designation: | (HQ) EV CREEK |

Please read instructions before you begin filling in this form.

| | | | | | |
|---|--------------|----------------------|--|--|--|
| Applicant (Operator) Name | | DEP Client ID# | Phone | FAX | Check if new address. <input type="checkbox"/> |
| Pennsylvania General Energy Company L.L.C. | | 213205 | (814) 723-3230 | (814) 723-4746 | |
| Mailing Address (Street or PO Box) | | City | State | Zip +4 | Country (if not USA) |
| 120 Market Street | | Warren | Pa | 16365 | |
| (Well) Farm Name | Well # | Serial # | PERMIT TYPE | TYPE OF WELL | APPLICATION FEE |
| Pine Hill Pad A | 2413 | | Check applicable. | Check one. | Check applicable. |
| County | Municipality | Project # (from DEP) | Application is to: | <input checked="" type="checkbox"/> Gas | <input checked="" type="checkbox"/> Marcellus Well: Non-Vertical |
| POTTER | WHARTON | | <input checked="" type="checkbox"/> Drill a new well | <input type="checkbox"/> Oil | <input type="checkbox"/> Marcellus Well: Vertical |
| If you are applying for a permit to redrill, drill deeper, or alter a well that was previously permitted or registered, or for a well site that was previously permitted but not drilled, check this box <input type="checkbox"/> and enter the permit or registration number here: | | | <input type="checkbox"/> Deepen a well | <input type="checkbox"/> Comb. (gas & oil) | <input type="checkbox"/> Non-Marcellus Well: Non-Vertical |
| If applying for a permit to rework an existing well not registered or permitted, check this box <input type="checkbox"/> and enter date drilled, if known: _____ (see instructions) | | | <input type="checkbox"/> Redrill a well | <input type="checkbox"/> Injection, recovery | <input type="checkbox"/> Non-Marcellus Well: Vertical |
| PNDI Attached: <input checked="" type="checkbox"/> Any "hit" must include accepted mitigation plan from applicable agency. | | | <input type="checkbox"/> Alter a well | <input type="checkbox"/> Injection, disposal | <input type="checkbox"/> \$200 (Home Use Well) |
| | | | <input type="checkbox"/> E&S Control Module | <input type="checkbox"/> Coalbed Methane | <input type="checkbox"/> \$500 E&S Fee |
| | | | <input type="checkbox"/> Other (specify) | <input type="checkbox"/> Gas Storage | <input type="checkbox"/> \$ 0 (Rehab orphan) |
| | | | | <input type="checkbox"/> Other (specify) | <input type="checkbox"/> Vertical: Length _____ ft. |
| | | | | | <input type="checkbox"/> Marcellus: Length _____ ft. |
| | | | | | <input checked="" type="checkbox"/> Non-Vertical: Length 11506 ft. |
| | | | | | Total Application Fee \$ 3250 |

| COORDINATION WITH REGULATIONS AND OTHER PERMITS | | Yes | No | DEP USE ONLY |
|--|--|-------------------------------------|-------------------------------------|-------------------|
| 1. Will the well be subject to the Oil and Gas Conservation Law? If "No," go to 2). | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Date Stamps/Notes |
| a. If "Yes" to #1, is the well at least 330 feet from outside lease or unit boundary? | | <input type="checkbox"/> | <input type="checkbox"/> | Auth 821700 |
| b. Does the location fall within an area covered by a spacing order? | | <input type="checkbox"/> | <input type="checkbox"/> | Site 730259 |
| 2. Will the well penetrate a workable coal seam ? If "No," include justification and supporting documentation. | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Clnt 213205 |
| 3. If the well will penetrate a workable coal seam , and the well is a "non-conservation" gas well, does the location comply with the distance requirements of Section 7 of the Coal and Gas Resource Coordination Act? (At least 1,000 feet from all existing wells). | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | APS 712112 |
| a. If "No," is the required exception request attached? (Check here if re-working an existing well: <input type="checkbox"/> N/A) | | <input type="checkbox"/> | <input type="checkbox"/> | Acct 672308 |
| 4. Will the well be drilled at a location where the coal has been removed? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | PF 727181 |
| 5. Will the well be drilled through an active (operating or projected) coalmine , or within 1,000 feet of the boundary? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | SF 1007659 |
| a. If "Yes," print the names of: Mine: _____ Operator: _____ | | | | |
| 6. Will the well penetrate or be within 2,000 feet of an active gas storage reservoir boundary? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| a. If Yes, print the names of: Storage Field: _____ Operator: _____ | | | | |
| 7. Is the proposed well location within the permitted area of a landfill ? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 8. Will the well site be within 100 feet (measured horizontally) of a stream, spring or body of water identified on the most current 7½' topographic map? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| a. If "Yes," is a request for a waiver (form 5500-FM-OG0057), and E&S control plan attached? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| 9. Will the well site be within 100 feet of a wetland or in a wetland ? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| a. Is the well site within 100 feet of a wetland greater than one acre in size? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| If yes, is a waiver request (form 5500-FM-OG0057) and E&S control plan attached? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| 10. Will the well be drilled within 200 feet (horizontally) from any existing building or an existing water supply ? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| a. If "Yes," is written consent from the owner attached? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| b. If written consent is not attached, is a variance request (form 5500-FM-OG0058) attached? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| 11. Will the well be located where it may impact a public resource as outlined in the "Coordination of a Well Location with Public Resources" form 5500-PM-OG0076? If yes, attach a completed copy of the form. | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Yes No |
| 12. Is the well site in a Special Protection High Quality (HQ) or Exceptional Value (EV) watershed? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 13. Is this well part of a development where you need an Earth Disturbance Permit for Oil and Gas Activities disturbing more than 5 acres? If yes, attach a completed Erosion Sediment and Stormwater Control Module or list the number and date of the ESCGP-1 Approval. | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

| | | | |
|--|-----------------|--|---------|
| Signature of Applicant | | The person signing this form attests that they have the authority to submit this application on behalf of the applicant, and that the information, including all related submissions, is true and accurate to the best of their knowledge. | |
| Signature of Person Authorized to Submit Application | (Print or Type) | Name of Signer: DOUGLAS E. KUNTZ | Date |
| | | Title: President & CEO | 1/28/10 |
| Application Preparer/Contact: CHAUNCEY TAYLOR | | Phone: (814) 723-3230 | |



Within 1 000 feet

Notification

PERMIT APPLICATION FOR DRILLING OR ALTERING A WELL
Page 2 --- Record of Notification / Written Consent

Page 2 --- Record of Notification / Written Consent

DEP USE
ONLY

APS #

Farm Name - Well #
Pine Hill Pad A 2413
Applicant Name: Pennsylvania General Energy Co. L.L.C.
DEP ID# 213206

List the following: surface landowner, all landowners or water purveyors whose water supplies are within 1,000 feet of this proposed well location, gas storage operator if within 2000 feet, all coal owners and lessees of all underlying workable coal seams, operators of underground coal mines at the proposed location, and coal operators with a deep mine within 1,000 feet. Mark the boxes, "X," which show the parties' interests. Use additional forms if you need more space. You are required to notify each of these parties.

[illegible]

Optional: Signature below indicates the party's approval of the well location, and waives the 15-day objection period. Check applicable box.

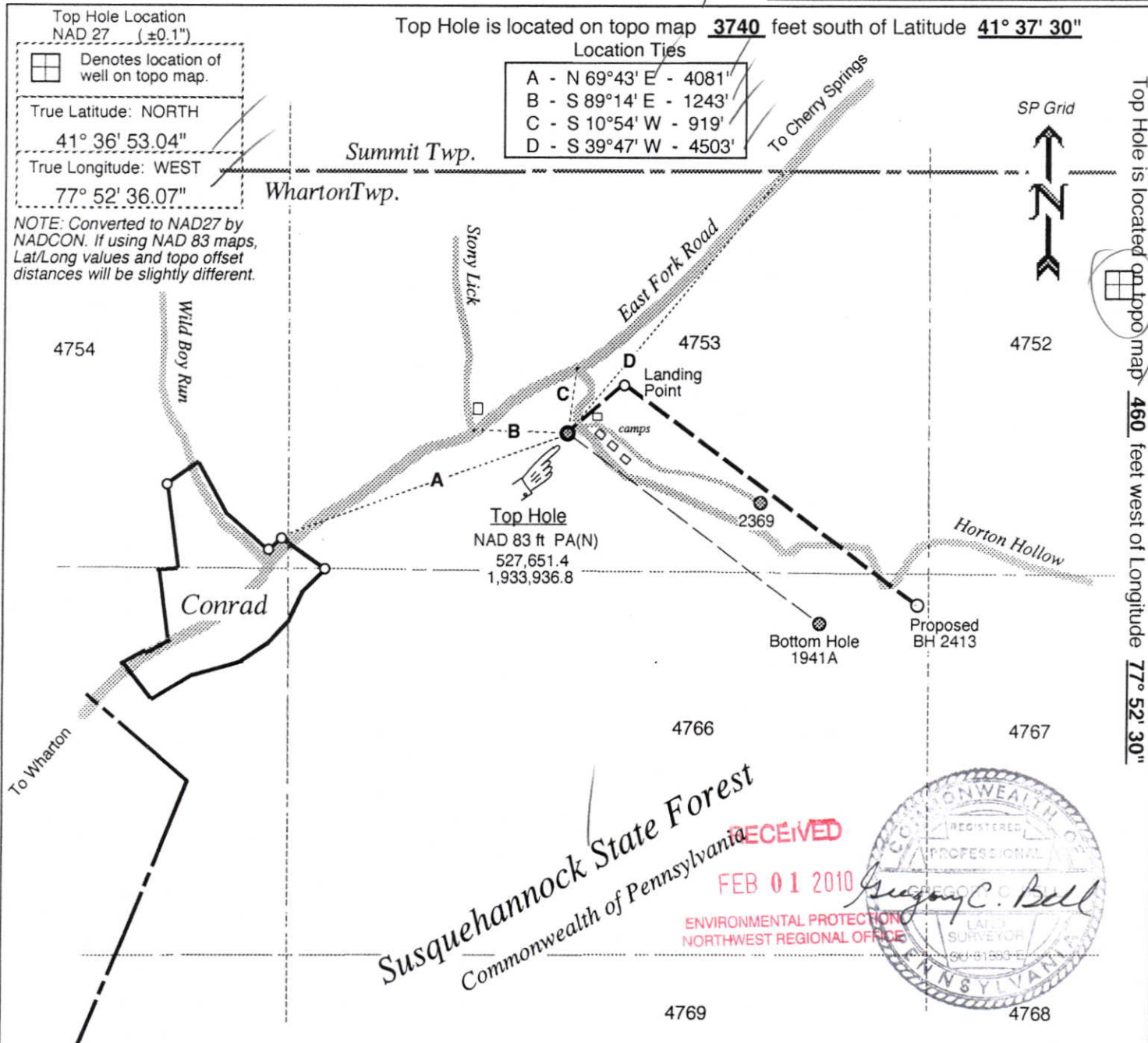
| | | | | | |
|--|------|--|------|---|------|
| <input type="checkbox"/> Water Purveyor or <input type="checkbox"/> Landowner with water supply within 1,000 ft. | Date | Coal <input type="checkbox"/> Operator, <input type="checkbox"/> Owner, or <input type="checkbox"/> Lessee | Date | Owner of: <input type="checkbox"/> water supply, or <input type="checkbox"/> building within 200 feet | Date |
| <input type="checkbox"/> Water Purveyor or <input type="checkbox"/> Landowner with water supply within 1,000 ft. | Date | Coal <input type="checkbox"/> Operator, <input type="checkbox"/> Owner, or <input type="checkbox"/> Lessee | Date | Address (of above) | |
| <input type="checkbox"/> Water Purveyor or <input type="checkbox"/> Landowner with water supply within 1,000 ft. | Date | Coal <input type="checkbox"/> Operator, <input type="checkbox"/> Owner, or <input type="checkbox"/> Lessee | Date | | |
| <input type="checkbox"/> Water Purveyor or <input type="checkbox"/> Landowner with water supply within 1,000 ft. | Date | Coal <input type="checkbox"/> Operator, <input type="checkbox"/> Owner, or <input type="checkbox"/> Lessee | Date | Owner of: <input type="checkbox"/> water supply, or <input type="checkbox"/> building within 200 feet | Date |
| Surface Landowner at proposed location | Date | Coal Operator within 1,000 feet of proposed location | Date | Address (of above) | |
| Surface Landowner at proposed location | Date | Gas Storage Operator within 2,000 feet | Date | | |



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM
WELL LOCATION PLAT**

| | | |
|------|------------|-----------|
| DEP | Auth. ID # | 2117110 |
| USE | Permit # | 105-21651 |
| ONLY | Project # | |



Surveyor or Engineer: Gregory C. Bell, PLS
Heritage Surveys (814) 225-3484

Date: Jan. 18, 2010

Scale: 1" = 2000'

Tract Acreage:

| | | | | |
|--|--|---|--|--|
| Lat & Long Metadata Method: TOPCON L2 diff. GPS Accuracy: 1 ± ft. Datum: NAD 27 | | Elevation Metadata Method: L2 diff. GPS Accuracy: 2 ± ft. Datum: NAD 27 | | Survey Date: 1/18/2010 |
| Applicant / Well Operator Name Pennsylvania General Energy Co., LLC | | Well (Farm) Name Pine Hill - PAD A | | Well # 2413 |
| Address 120 Market Street, Warren, PA 16365 | | County - Code Potter - 53 | | Municipality Wharton Twp. |
| Surface Landowner Commonwealth of PA. - Susquehannock State Forest | | USGS 7.5' Quadrangle Map Name Conrad | | Well Type Gas |
| Target Formation(s) Marcellus Shale | | Angle & Course of Deviation (Drilling) S 64°11' E - 5240' (Net) SP Grid | | Anticipated Total Depth (ft.) TVD 6100 TMD 11506 |
| Surface Owner or Water Purveyor with a Water Supply within 1000 ft. none | | Approximate Course and Distance to Water Supply | | Name of Coal Seam Owned, Leased, or Operated |

WATERSHED EAST FORK SINNEMAHONING CREEK

PENNSYLVANIA GENERAL ENERGY COMPANY, L.L.C.

120 Market Street
Warren, PA 16365

Phone: 814-723-3230
Fax: 814-723-3502

7009 2250 0000 1460 7339

January 19, 2010

Mr. Christian Nicholas
District 15 Forester
P.O. Box 673
Coudersport, Pa. 16915-0673

RE: Pine Hill #2413, #2414 and #2415

Dear Mr. Nicholas:

Please find enclosed a Landowner Notification of Well Drilling Form Letter and a well location plat for the Pine Hill wells #2413, #2414, #2415 horizontal gas wells in Wharton Township, Potter County. The wells will be located on the same well pad as well 1941.

As the surface owner, PGE is required by the Department of Environmental Protection to send you notification of our intention to drill this well.

I have also enclosed a copy of the PNDI search for these locations.

If you have any questions or comments, please do not hesitate to call.

Sincerely,

PENNSYLVANIA GENERAL

By 
Chauncey S. Taylor, Perm

Enclosure

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

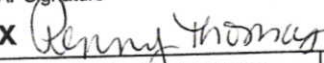
Mr. Christian Nicholas
District 15 Forester
P.O. Box 673
Coudersport, PA 16915-2415

2. Article Number
(Transfer from service label)

7009 2250 0000 1460 7339

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X  ☒ Agent ☐ Addressee

B. Received by (Printed Name)

Penny Thomas

C. Date of Delivery

1/21/10

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



Producing the energy we need
Protecting the environment we treasure.

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

www.penngeneralenergy.com



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

| DEP USE ONLY | |
|--------------|-----------|
| APS # | Site # |
| Permit # | Auth ID # |

Coordination of a Well Location with Public Resources

| | | | | |
|--|-----------------------|---|---|-------------------------------|
| Well Operator Pennsylvania General Energy Co. L.L.C | | DEP ID# 213205 | Well Farm Name and Number Pine Hill Pad A 2413 | |
| Address 120 Market St. | | Project Number (if previously assigned) | | |
| City Warren | State Pa. | Zip Code 16365 | County Potter | Municipality Wharton |
| Phone (814) 723-3230 | Fax (814) 723-4746 | Latitude N 41° 36' 53.04" | | Longitude W 77° 52' 36.07" |

- Will the well be located in or within 200 feet of a publicly owned park, forest, gameland, designated wildlife area or Natural National Landmark? ☒ Yes ☐ No
- Will the well be located within the corridor of a state or national scenic river? ☐ Yes ☒ No

 Portions of the Allegheny River and Clarion River are currently on the National Wild and Scenic Rivers list. Detailed descriptions are available on the National Scenic Rivers website: www.nps.gov/rivers/wildriverslist.html#pa

 Portions of three other creeks and streams in oil and gas producing areas are currently listed as Pennsylvania Scenic Rivers. These are: Pine Creek in Tioga County, Lick Run in Clinton County, and Bear Creek in Fayette County. The streams corridor maps are available on DCNR's web site: www.dcnr.state.pa.us/brc/rivers/scenicrivers/locationmap.htm
- If answering "Yes" to questions 1 or 2, name the public resource(s):
 Susquehannock State Forest
 List the name, address and phone number of the person responsible for management of the public resource.
 Christian Nicholas, District 15 Forester, 3150 E. Second St., Coudersport, Pa. 16915
 Must the administrator of the public resource approve or otherwise authorize the proposed well, well site, access road, or gathering pipeline? ☒ Yes ☐ No
 Has the approval or authorization been received? ☒ Yes ☐ No
- Has the search of the proposed well location against the Pennsylvania Natural Diversity Inventory (PNDI), or any other evaluation, identified a potential conflict with a species of special concern? ☐ Yes ☒ No
 If yes, provide PNDI Search Number _____ or attach a copy of the PNDI Search Results.
 If a potential conflict with a species of concern was identified, give the name of the responsible agency.
 Has the potential conflict been resolved? ☐ Yes ☐ No
- Will the well be located within 200 feet of any historical or archaeological sites listed as federal or state historic places? ☐ Yes ☒ No
- Describe in detail the additional measures, facilities, or practices specific to this site to be employed during site construction, drilling and operation to ensure the safety of the public and to protect public resource identified above. Use additional sheets as needed.

 Standard E & S controls and BMP's will be utilized for this well.

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ENVIRONMENTAL PROTECTION
NORTHWEST REGIONAL OFFICE

1. PROJECT INFORMATION

Project Name: **2413 Pine Hill**

Date of review: **1/18/2010 4:51:12 PM**

Project Category: **Energy Storage, Production, and Transfer, Energy Production (generation), Oil or Gas - new wells, expansion of well field**

Project Area: **N/A**

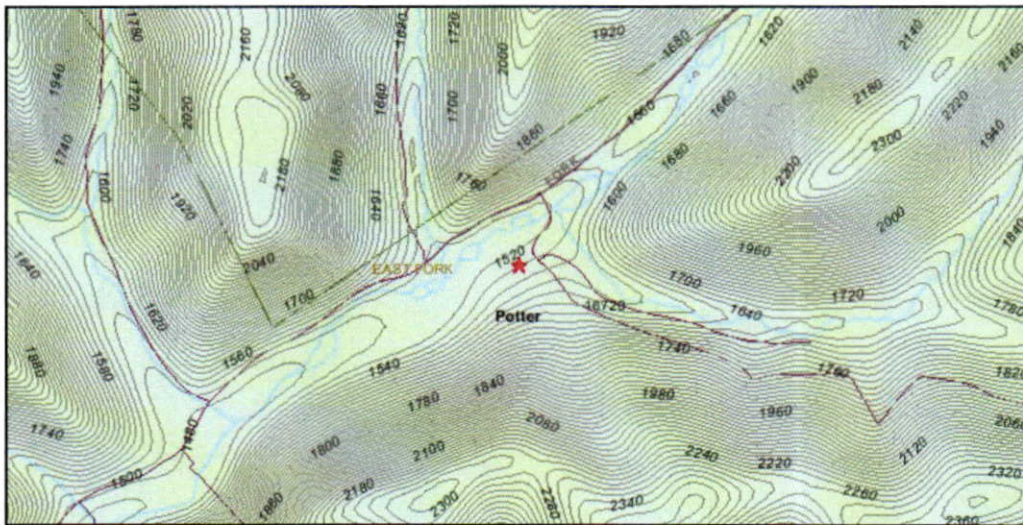
County: **Potter** Township/Municipality: **East Fork**

Quadrangle Name: **CONRAD**

ZIP Code: **16720**

Decimal Degrees: **41.614733 N, --77.876686 W**

Degrees Minutes Seconds: **41° 36' 53.04" N, -77° 52' 36.07" W**



2. SEARCH RESULTS

| Agency | Results | Response |
|---|-----------------|----------------------------|
| PA Game Commission | No Known Impact | No Further Review Required |
| PA Department of Conservation and Natural Resources | No Known Impact | No Further Review Required |
| PA Fish and Boat Commission | No Known Impact | No Further Review Required |
| U.S. Fish and Wildlife Service | No Known Impact | No Further Review Required |

As summarized above, Pennsylvania Natural Diversity Inventory (PNDI) records indicate no known impacts to threatened and endangered species and/or special concern species and resources within the project area. Therefore, based on the information you provided, no further coordination is required with the jurisdictional agencies. This response does not reflect potential agency concerns regarding impacts to other ecological resources, such as wetlands.

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FEB 01 2010

ENVIRONMENTAL PROTECTION
NORTHWEST REGIONAL OFFICE

3. AGENCY COMMENTS

Regardless of whether a DEP permit is necessary for this proposed project, any potential impacts to threatened and endangered species and/or special concern species and resources must be resolved with the appropriate jurisdictional agency. In some cases, a permit or authorization from the jurisdictional agency may be needed if adverse impacts to these species and habitats cannot be avoided.

These agency determinations and responses are **valid for one year** (from the date of the review), and are based on the project information that was provided, including the exact project location; the project type, description, and features; and any responses to questions that were generated during this search. If any of the following change: 1) project location, 2) project size or configuration, 3) project type, or 4) responses to the questions that were asked during the online review, the results of this review are not valid, and the review must be searched again via the PNDI Environmental Review Tool and resubmitted to the jurisdictional agencies. The PNDI tool is a primary screening tool, and a desktop review may reveal more or fewer impacts than what is listed on this PNDI receipt. The PNDI tool is a primary screening tool, and a desktop review may reveal more or fewer impacts than what is listed on this PNDI receipt.

PA Game Commission

RESPONSE: No Impact is anticipated to threatened and endangered species and/or special concern species and resources.

PA Department of Conservation and Natural Resources

RESPONSE: No Impact is anticipated to threatened and endangered species and/or special concern species and resources.

PA Fish and Boat Commission

RESPONSE: No Impact is anticipated to threatened and endangered species and/or special concern species and resources.

U.S. Fish and Wildlife Service

RESPONSE: No impacts to federally listed or proposed species are anticipated. Therefore, no further consultation/coordination under the Endangered Species Act (87 Stat. 884, as amended; 16 U.S.C. 1531 *et seq.*) is required. Because no take of federally listed species is anticipated, none is authorized. This response does not reflect potential Fish and Wildlife Service concerns under the Fish and Wildlife Coordination Act or other authorities.

4. DEP INFORMATION

The Pa Department of Environmental Protection (DEP) requires that a signed copy of this receipt, along with any required documentation from jurisdictional agencies concerning resolution of potential impacts, be submitted with applications for permits requiring PNDI review. For cases where a "Potential Impact" to threatened and endangered species has been identified before the application has been submitted to DEP, the application should not be submitted until the impact has been resolved. For cases where "Potential Impact" to special concern species and resources has been identified before the application has been submitted, the application should be submitted to DEP along with the PNDI receipt, a completed PNDI form and a USGS 7.5 minute quadrangle map with the project boundaries delineated on the map. The PNDI Receipt should also be submitted to the appropriate agency according to directions on the PNDI Receipt. DEP and the jurisdictional agency will work together to resolve the potential impact(s). See the DEP PNDI policy at

5. ADDITIONAL INFORMATION

The PNDI environmental review website is a **preliminary** screening tool. There are often delays in updating species status classifications. Because the proposed status represents the best available information regarding the conservation status of the species, state jurisdictional agency staff give the proposed statuses at least the same consideration as the current legal status. If surveys or further information reveal that a threatened and endangered and/or special concern species and resources exist in your project area, contact the appropriate jurisdictional agency/agencies immediately to identify and resolve any impacts.

For a list of species known to occur in the county where your project is located, please see the species lists by county found on the PA Natural Heritage Program (PNHP) home page (www.naturalheritage.state.pa.us). Also note that the PNDI Environmental Review Tool only contains information about species occurrences that have actually been reported to the PNHP.

6. AGENCY CONTACT INFORMATION

PA Department of Conservation and Natural Resources

Bureau of Forestry, Ecological Services Section
400 Market Street, PO Box 8552, Harrisburg, PA.
17105-8552
Fax:(717) 772-0271

U.S. Fish and Wildlife Service

Endangered Species Section
315 South Allen Street, Suite 322, State College, PA.
16801-4851
NO Faxes Please.

PA Fish and Boat Commission

Division of Environmental Services
450 Robinson Lane, Bellefonte, PA. 16823-7437
NO Faxes Please

PA Game Commission

Bureau of Wildlife Habitat Management
Division of Environmental Planning and Habitat Protection
2001 Elmerton Avenue, Harrisburg, PA. 17110-9797
Fax:(717) 787-6957

7. PROJECT CONTACT INFORMATION

Name: _____
Company/Business Name: _____
Address: _____
City, State, Zip: _____
Phone:(_____) _____ Fax:(_____) _____
Email: _____

8. CERTIFICATION

I certify that ALL of the project information contained in this receipt (including project location, project size/configuration, project type, answers to questions) is true, accurate and complete. In addition, if the project type, location, size or configuration changes, or if the answers to any questions that were asked during this online review change, I agree to re-do the online environmental review.

applicant/project proponent signature

date

Well Site Restoration Report

Pennsylvania General Energy Company, L.L.C.

Pine Hill Pad A

| Well # | API# |
|--------|-----------------|
| 2413 | 37-105-21651-00 |
| 2414 | 37-105-21652-00 |
| 2415 | 37-105-21653-00 |

Facility Information:

| Facility Name | Permit Number |
|---|---------------|
| PA Brine Franklin | PA0101508 |
| Waste Treatment Corporation | PA0102784 |
| McKean County Landfill/Casella Waste, Inc | 100361 |

Hauler Information:

| Hauler Name | Hauler Address |
|--|---|
| Hoopes Turf Farm | 1002 Empson Road Ulysses, PA 16948 |
| Magee and Magee | 1441 Looker Mountain Trail, Rixford, PA 16745 |
| Pennsylvania General Energy Company, LLC | 120 Market Street, Warren, PA 16365 |
| Challenger Transport, Inc | 1 Gillis Ave., Ridgway, PA 15853 |
| Allegheny Mountain Enterprises | 970 Ogrin Road, Kane, PA 16735 |
| Waste Treatment Corporation | 1 W. Harmer Street, Warren, PA 16365 |
| Fox and Sons | P.O. Box 405, Clarendon, PA 16313 |
| McKissick Trucking | 699 Pinegrive School Road, Venus, PA 16364 |

RECEIVED

SEP 29 2011

ENVIRONMENTAL PROTECTION
NORTHWEST REGIONAL OFFICE



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL & GAS MANAGEMENT PROGRAM

| DEP USE ONLY | |
|--------------|--------------|
| Auth# | APS # 712112 |
| Site# | Facility # |
| Fix Client # | Sub-fac # |

**Request for Approval of
Alternative Waste Management Practices**

Please read instructions on back before completing this form.

| | | | | |
|---|-----------------------|-------------------|---|----------|
| Well operator Pennsylvania General Energy Company L.L.C. | | DEP ID# 213205 | Well Permit or Registration Number 37-105-21651-00 | |
| Address 120 Market St. | | | Well Farm Name Pine Hill | |
| City Warren | State Pa. | Zip Code 16365 | Well # 2413 | Serial # |
| Phone (814) 723-3230 | Fax (814) 723-4747 | County Potter | Municipality Wharton | |

INTENDED ALTERNATIVE PRACTICE Check the appropriate box and complete the applicable section of the form

- ☐ For temporary containment of fluids and wastes generated during drilling, altering, or completing a well, complete Section A. PITS AND TANKS FOR TEMPORARY CONTAINMENT. See 25 Pa. Code 78.56 for regulations
- ☒ For disposal of drill cuttings from above the surface casing seat, complete Section B. ALTERNATE WASTE DISPOSAL PRACTICES. See 25 Pa. Code 78.61 for regulations
- ☒ For disposal of residual waste and drill cuttings from below the surface casing seat, complete Section B. ALTERNATE WASTE DISPOSAL PRACTICES. See 25 Pa. Code 78.62 or 78.63 for regulations

A. PITS AND TANKS FOR TEMPORARY CONTAINMENT

Complete this section if requesting approval of an alternative practice for temporary containment of pollutonal substances and wastes from drilling, altering, or completing a well. See 25 Pa. Code 78.56

- a) Check the box below and fill in the dates the pit will be used if you are requesting a variance from the requirement that the bottom of the pit be at least 20 inches above the seasonal high groundwater table for a pit that exists on y during dry times of the year and is located above groundwater. See 25 Pa. Cod 78.56(a)(4)(iii).

☐ Variance requesting; dates to be used, from _____ to _____

- b) Check the box below if you are requesting approval of an alternative practice for temporary containment.
- ☐ Approval of an other alternative practice is requested. Describe the type of waste and the tempoarry containment method. Include information which will demonstate that the proposed alternative practices will provide equivalent or ruperior protection to the practice identified in 25 Pa. Cod 78.56.

RECEIVED

MAY 10 2010

OIL & GAS

RECEIVED

APR 12 2010

ENVIRONMENTAL PROTECTION
NORTHWEST REGIONAL OFFICE

(continued over)

B. ALTERNATIVE WASTE DISPOSAL PRACTICES

Complete this section if requesting approval of an alternative practice to dispose of drill cuttings or residual wastes at the well site. Describe the type of waste, including any additives, and the proposed alternative practice. Include information that will demonstrate the proposed practice will provide protection equivalent or superior to the practices identified in 25 Pa. Code 78.61, 78.62, or 78.63.

Pennsylvania General Energy Company L.L.C. is requesting DEP approval for alternate waste disposal

The waste will be a combination of drill cuttings and water based fluid (mud). The pit in which the waste will be disposed is the reserve pit on the well site and the pit has been constructed in accordance with Para. 78.62 of the Pa DEP regulations. The subject material will be disposed of in accordance with para. 78.62(a) (14), which requires that all free liquids be removed and properly disposed of. The free liquids fraction will be removed from the pit and a blended reagent added to the remaining materials present utilizing the Soli-Bond, Inc chemical fixation / solidification process. The MSDS for the Soli-Bond, Inc reagent is attached to this submittal. Following the Soli-Bond Inc chemical fixation / solidification process, the liner shall be folded over, or an additional liner added if necessary, to completely cover the waste material. The Soli-Bond Inc. stabilized waste material shall be shaped on the surface such that precipitation does not infiltrate the liner and is not confined about the liner as required by para. 78.62 (A)(15). The reserve pit will then be backfilled with at least 18 inches of clean spoils over the top liner and graded

SIGNATURE OF APPLICANT

Signature of Applicant / Well Operator

Print or Type Signer's Name and Title

Date

Douglas E. Kuntz, President & CEO

4/9/10

DEP USE ONLY☒ Approved ☐ DeniedConditions: ☐ YES, see below or attached

Date

☒ NO

4/20/10

DEP
Representative

Conditions

Michael W. Pantti

Instructions

Use this form to apply for approval of alternative waste management practices under 25 Pa. Code 78.56, 78.61, 78.62, or 78.63. Complete this form and submit it with all other necessary documentation. Label each attachment with applicant's name and the information item it refers to.

Send your application to the Oil and Gas Management Program at the appropriate DEP regional office:

PA DEP
Oil and Gas Management Program
Northwest Regional Office
230 Chestnut Street
Meadville, PA 16335-3481
Phone: 814-332-6860
Fax: 814-332-6121

PA DEP
Oil and Gas Management Program
Southwest Regional Office
400 Waterfront Drive
Pittsburgh, PA 15222-4745
Phone: 412-442-4015
Fax: 412-442-4328



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

208 West Third Street, Suite 101

Williamsport, PA 17701-6448

February 7, 2011

File

Northcentral Regional Office

Fax 570-327-3565

Pennsylvania General Energy Company, LLC
c/o Mark C. Mummert, Environmental Manager
120 Market Street
Warren, PA 16365

Re: Well Site Restoration Report Forms

Dear Mr. Mummert:

As discussed with you during our December 22, 2010 meeting at the Department's Northcentral Regional Office, the Department has recently revised its oil and gas "Well Site Restoration Report" form (5500-PM-OG0075) due to recent changes in Pennsylvania's Clean and Green Law. The new report form requires the well operator to identify the amount of acreage incapable of immediately being used for agricultural activities or forest reserve, in the "Site Restoration" section (Section G) of the form, as the result of oil and gas development activities. Please immediately begin to utilize the new "Well Site Restoration Report" form, a copy of which is enclosed and can also be found on the Department's website.

At this time, the Department is returning "Well Site Restoration Reports" for sites it has not yet performed restoration inspections on, and is requesting that you submit new restoration reports on the new restoration report form for those sites. This request for new restoration reports affects your company's following well sites:

- Fisk Hollow North 1943 (Permit# 37-105-21299)
- Fisk Hollow 1944/2146 (Permit# 37-105-21302 and 37-105-21484)
- Pine Hill 2369 (Permit# 37-105-21585)
- Pine Hill 2413-2415 (Permit# 37-105-21651, 37-105-21652, and 37-105-21653)
- Reed Run 2145 (Permit# 37-105-21500)
- Reed Run 2368 (Permit# 37-105-21576)

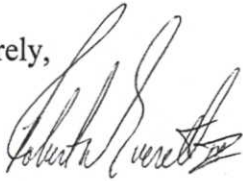
The Department is also requesting that operators provide more detailed information in the "On-site Disposal – Drill Cuttings or Waste" section (Section D) of the restoration report form. Thus, if encapsulating drill cuttings, the description of material disposed should explicitly detail the geological formations from which cuttings are encapsulated (i.e. entire well bore to include Marcellus, cuttings from surface down to Upper Devonian, etc.) and should be accompanied by proof that encapsulation of those cuttings is acceptable pursuant to Section 78.62(b), 25 Pa. Code § 78.62(b), of the Department's rules and regulations.

Also note that the Department is in the process of rescinding the use of alternate approved 20 mil liners for drill pits. The official notice of rescinding should be published in the Pennsylvania Bulletin in the near future.

February 7, 2011

Should you have any questions concerning this letter, or require clarification, please contact me at 570-327-3680.

Sincerely,



Robert W. Everett III
Water Quality Specialist
Oil and Gas Management

cc: NCRO Fisk Hollow North 1943 File (Permit# 37-105-21229)
NCRO Fisk Hollow 1944 File (Permit# 37-105-21302)
NCRO Fisk Hollow 2146 File (Permit# 37-105-21484)
NCRO Pine Hill 2369 File (Permit# 37-105-21585)
NCRO Pine Hill 2413 File (Permit# 37-105-21651)
NCRO Pine Hill 2414 File (Permit# 37-105-21652)
NCRO Pine Hill 2415 File (Permit# 37-105-21653)
NCRO Reed Run 2145 File (Permit# 37-105-21500)
NCRO Reed Run 2368 File (Permit# 37-105-21576)

Enc: Current "Well Site Restoration Report" Form (5500-PM-OG0075)
Fisk Hollow North 1943 Restoration Report (Permit# 37-105-21229)
Fisk Hollow 1944/2146 Restoration Report (Permit# 37-105-21302, 37-105-21484)
Pine Hill 2413-2415 Restoration Report (Permit# 37-105-21651, 37-105-21652, 37-105-21653)
Pine Hill 2369 Restoration Report (Permit# 37-105-21585)
Reed Run 2145 Restoration Report (Permit# 37-105-21500)
Reed Run 2368 Restoration Report (Permit# 37-105-21576)



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

INSPECTION REPORT

| | |
|---------------------------|--------------------------------|
| DEP USE ONLY | Inspection Record # 1886368 |
| Complaint Record # N/A | Enforcement Record # N/A |

| | | |
|---|-------------------------|--|
| DEP Office Dep-NCHO-Bog | Phone (570) 327-3636 | Permit or Reg. # 37-105-21651 |
| Address 208 West Third Street, Suite 101 Williamsport, PA 17701 | | Project # N/A |
| Oper Name Pennsylvania General Energy Company, LLC | | Farm Name & Well # Pine Hill Pad A 2413 |
| Address 120 Market Street Harrisburg, PA 17136 | | County Potter |
| Attn: Mark Mumment | | Municipality Wharton Township |
| | | Latitude: 41° 36' 53.28" N |
| | | Longitude: 77° 52' 35.05" W |

Inspection Code: ☐ BDREL - Bond Release ☐ DRALT - Drilling or Alteration ☐ RDSRP - Road Spreading
☒ CEI - Compliance Evaluation ☐ FLWUP - Follow-up ☐ RESTR - Site Restoration
☐ COMPL - Complaint Inspection ☐ PLUG - Plugging ☐ RTNC - Routine

Other: ☐ Permit Expired ☐ Alt/Meth. ☐ Annulus Open ☐ Cement Returns ☐ Recommend Bond Release

| Location | Insp. | Violation | Driller's Log Information | | | Depth: N/A | | |
|-----------------------|-------|-----------|----------------------------|---------------------------|---------------------------|---------------------------------------|--------------------|------|
| Site ID Sign | X | | Fresh Water Amt / Depth | Salt Water Amt / Depth | Coal Thickness / Depth | Formations Oil / Depth Gas / Depth | | |
| Well Tag | | | N/A | | | | | |
| Distance Restrict | | | | | | | | |
| E/S Plan on Site | | | | | | | | |
| E/S Controls | | | | | | | | |
| Encroachments | | | | | | | | |
| Site Restoration | | | | | | | | |
| Drilling / Plugging | | | | | | | | |
| Drilling-Plugging | | | Filling Material & Plugs | | | Casing & Tubing | | |
| Notification | | | From | To | Size | Pulled | Left | |
| B.O.P. | | | N/A | | | | | |
| Casing | | | | | | | | |
| Monument | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Waste Mgmt. | | | | | | | | |
| Top Hole Water | | | | | | | | |
| Fluids Mgmt. | | | | | | | | |
| Impoundment/pit | | | | | | | | |
| Pollution Prevent | X | | | | | | | |
| Residual Waste | X | | | | | | | |
| Compliance Assistance | | | Code | N/A | Code | N/A | Inspection Results | Code |
| | | | | | | | No Violations | |

Remarks: Arrived on site @ 11:45 am, crew installing cellars around this and the 2414, 2415 wells, drill pit also being solidified. After meeting on 05/18/2010 with the Department, in which you showed us the analytical results for the number 1944 well on this site, it was determined that we would not require deep soil probes to verify the SHWT at this location - however these probes will be required on all pits going forward.

No Violations

One copy of report to be mailed to the "Operator" - as listed above

| | | | |
|------------|------------------------|--|----------------|
| Sample No. | Location / Description | DEP Rep: | Date: |
| | N/A | (signature) <i>Robert W. Everett III</i> | 05/19/2010 |
| | | (print name) ROBERT W. EVERETT III | Time: 12:10 pm |

GWR 5.26.10

Page 1 of 1



Everett, Robert

From: Chauncey S Taylor [chaunceytaylor@penngeneralenergy.com]
Sent: Friday, May 21, 2010 4:36 PM
To: Everett, Robert
Cc: Mark C. Mummert
Subject: Pine Hill drill pit

Good afternoon Mr. Everett,

This email is in response to your conversation with Mr. Mummert of our office on Friday 5/21/10. The cuttings in the drill pit consisted of cutting from the surface to the bottom hole for the intermediate casing for the three new wells on Pine Hill Pad A. The deepest of the three intermediate casing jobs was well 2313. The casing for this well was set at a depth of 2,273 feet. The cuttings were solidified using type 1 Portland cement as describe in the AWMP for OG71. In the future, Pennsylvania General Energy will perform a test for the seasonal high water table prior to the construction of a drill pit.

If you have any questions, please feel free to contact Mr. Mummert or myself.

Regards,

Chauncey S. Taylor

Office (814) 723-3230
Fax (814) 723-4746
Cell (814) 598-5555

5/24/2010

Everett, Robert

From: Mark C. Mummert [markmummert@penngeneralenergy.com]
Sent: Monday, May 17, 2010 6:06 PM
To: Means, Jennifer; Everett, Robert; Ryder, John
Cc: Chuck Thompson
Subject: PGE - DEP meeting

Confirming our 10AM meeting.

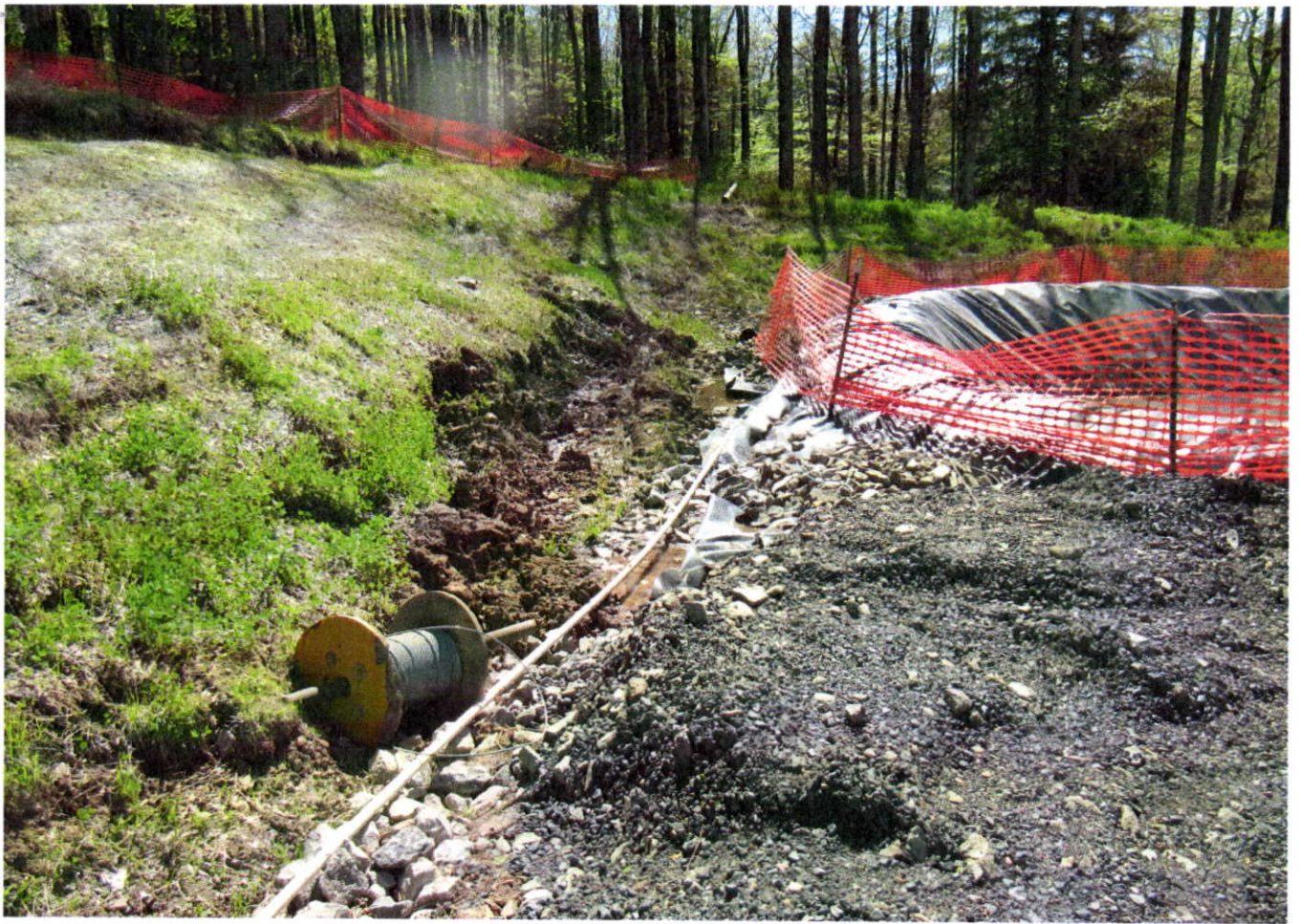
Attached is an agenda.

Mark C. Mummert
Pennsylvania General Energy Company, L.L.C.
120 Market Street
Warren, PA 16365
Office: 814-723-3230
Cell: 814-706-5363
markmummert@penngeneralenergy.com

Info from Mark - Given to me at this meeting, showing site clean up is attached.
LR



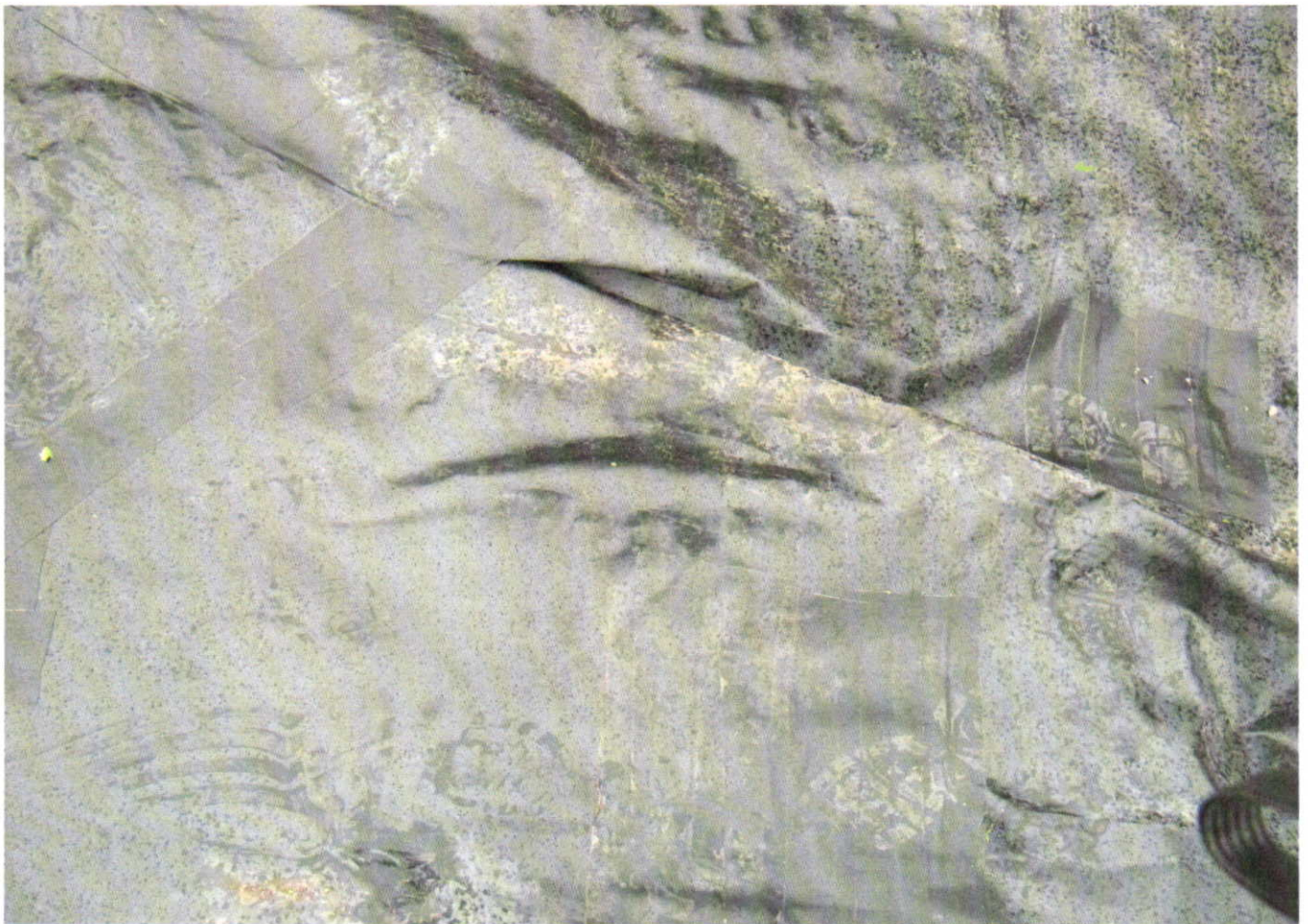
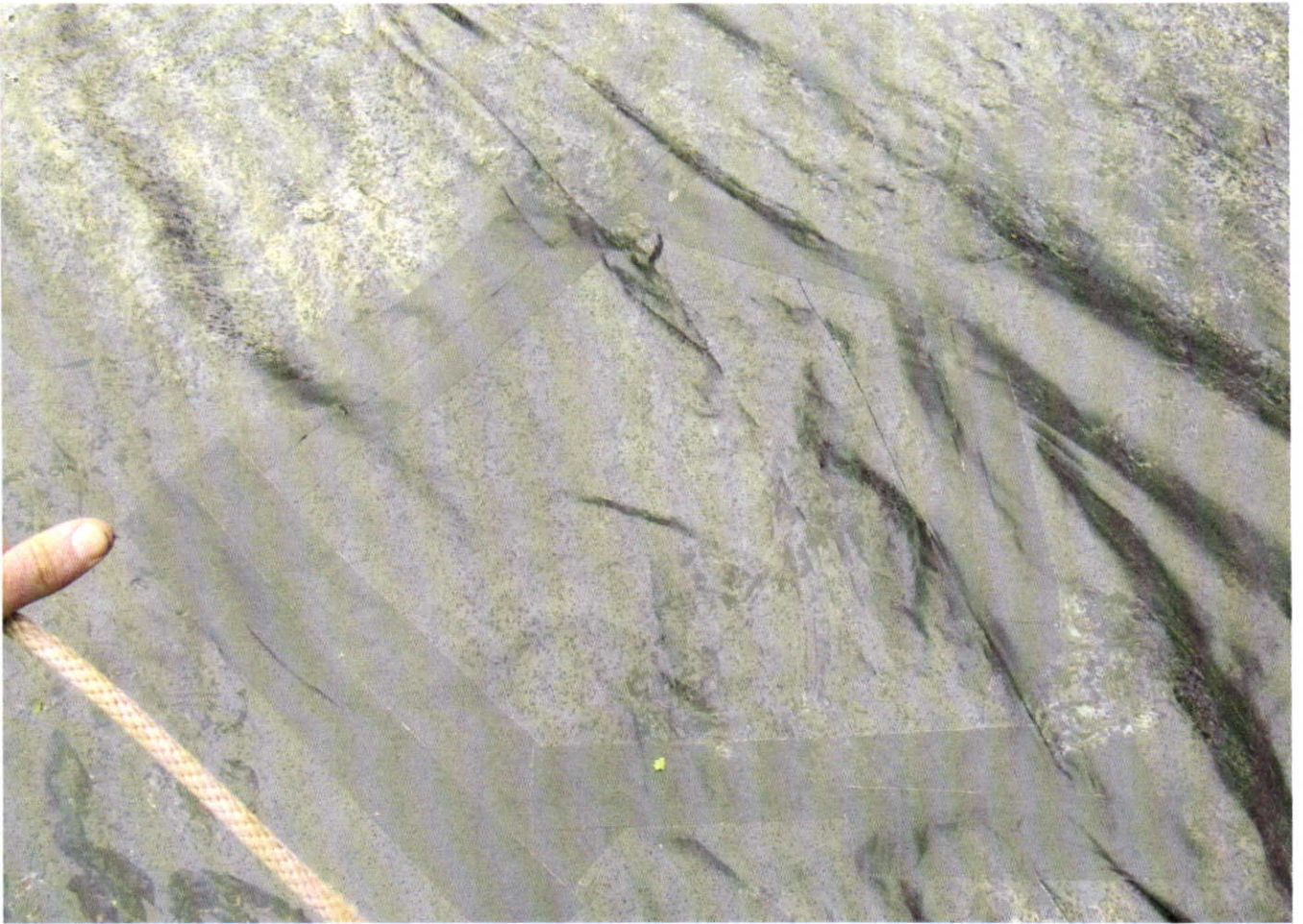


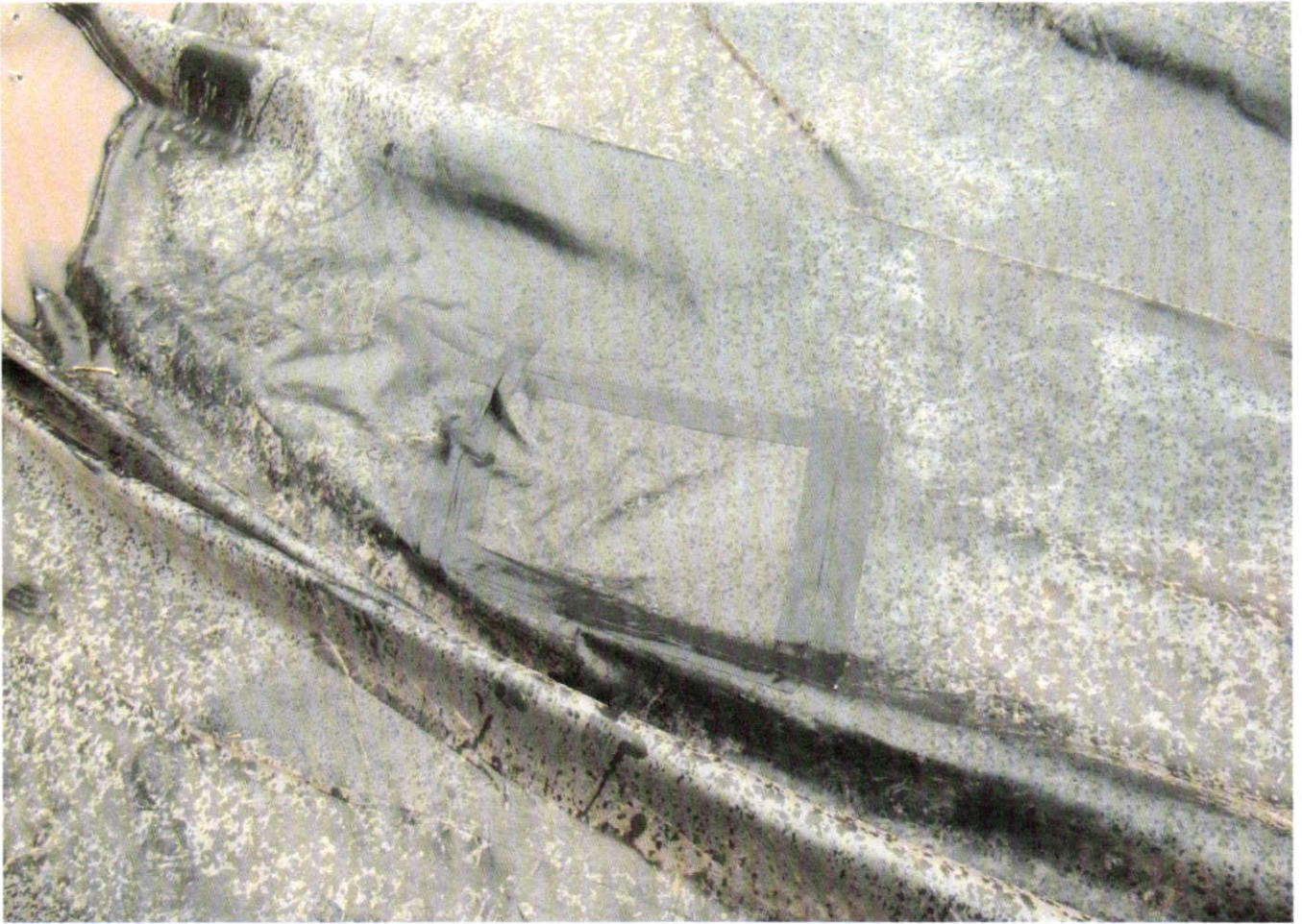


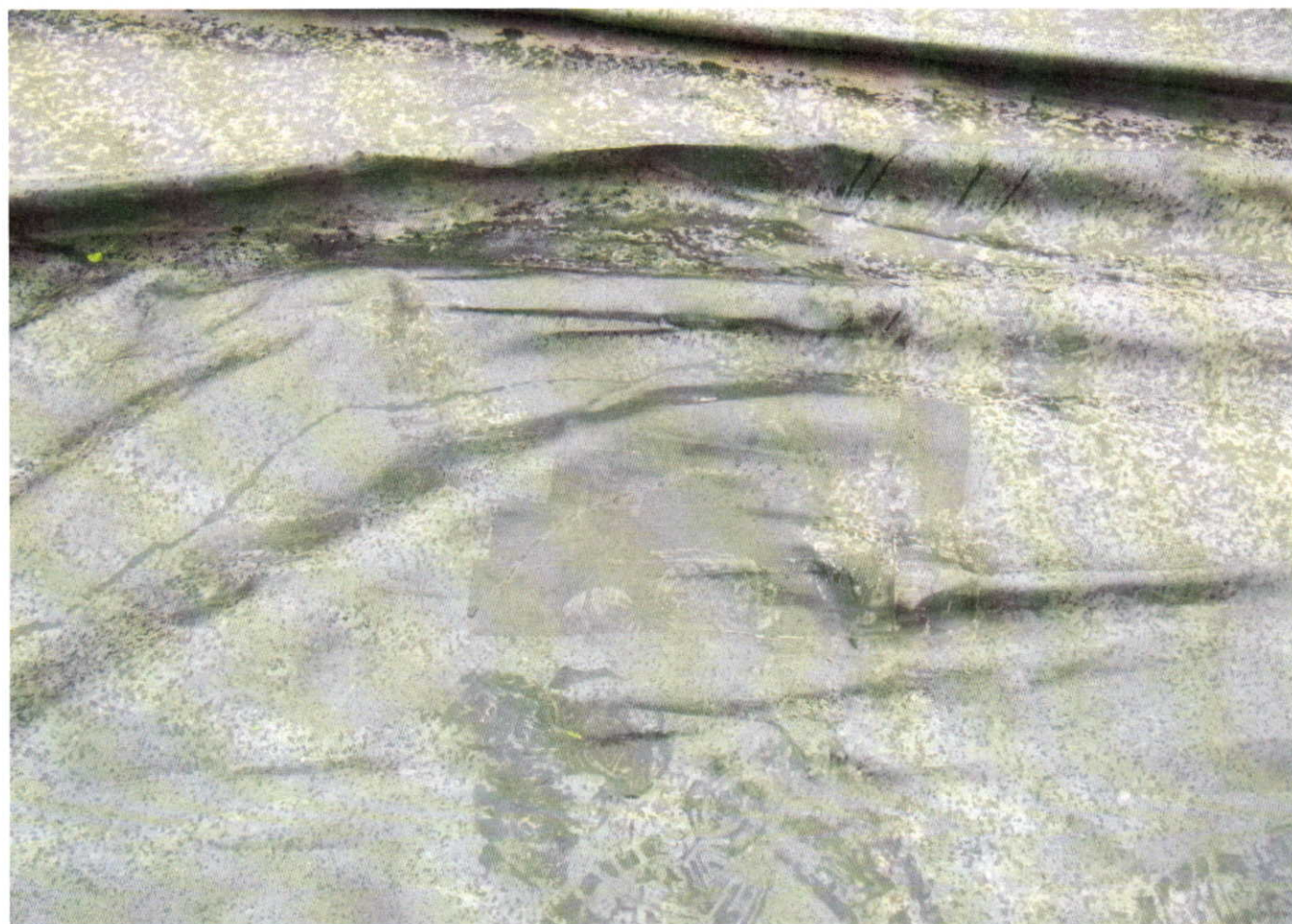
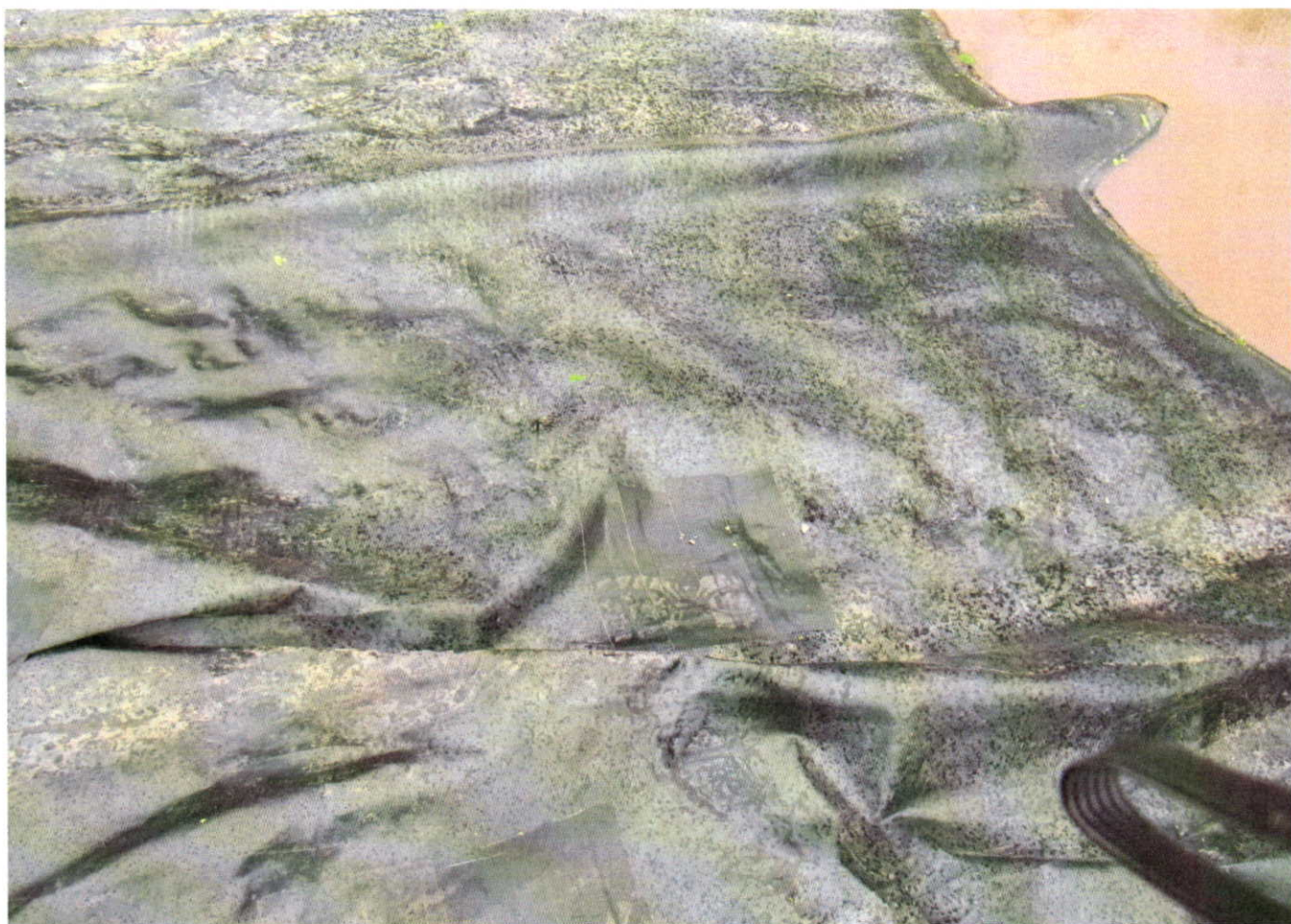














pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

INSPECTION REPORT

| | |
|---------------------------|--------------------------------|
| DEP USE ONLY | Inspection Record # 1884249 |
| Complaint Record # N/A | Enforcement Record # N/A |

| | | |
|--|-------------------------|---|
| DEP Office Dep NCRD - Bog | Phone (570) 327-3636 | Permit or Reg. # 37-105-21651 |
| Address 209 West Third Street, Suite 101 Williamsport, PA 17701 | | Project # N/A |
| Oper Name Pennsylvania General Energy Company, LLC | | Farm Name & Well # Pine Hill PAD A 2413 |
| Address 120 Market Street Harrisburg, PA 17101 Attn: Mark Mummert | | County Potter |
| | | Municipality Wharton Township |
| | | Latitude: 41° 36' 53.28" N |
| | | Longitude: 77° 52' 35.05" W |

Inspection
Code:

- ☐ BDREL - Bond Release
☒ CEI - Compliance Evaluation
☐ COMPL - Complaint Inspection

- ☐ DRALT - Drilling or Alteration
☐ FLWUP - Follow-up
☐ PLUG - Plugging

- ☐ RDSPR - Road Spreading
☐ RESTR - Site Restoration
☐ RTNC - Routine

Other: ☐ Permit Expired ☐ Alt/Meth. ☐ Annulus Open ☐ Cement Returns ☐ Recommend Bond Release

| Location | Insp. | Violation | Driller's Log Information | | | | Depth: | | |
|-----------------------|-------|--------------------------|----------------------------|---------------------------|---------------------------|---------------------------------------|--------------------|------------------|--|
| | | | Fresh Water Amt / Depth | Salt Water Amt / Depth | Coal Thickness / Depth | Formations Oil / Depth Gas / Depth | | | |
| Site ID Sign | X | | | | | | | | |
| Well Tag | | | | | | | | | |
| Distance Restrict | | | | | | | | | |
| E/S Plan on Site | X | | | | | | | | |
| E/S Controls | X | 25 PA Code § 102.4(b)(1) | 16.5' N | | N | | | | |
| Encroachments | | | A | | A | | | | |
| Site Restoration | | | | | | | | | |
| | | | Drilling / Plugging | | | | | | |
| Drilling-Plugging | | | Filling Material & Plugs | | | Casing & Tubing | | | |
| Notification | X | | From To | | | Size | Pulled | Left | |
| B.O.P. | | | | | | 20" | 159.65 | → 24 in bore | |
| Casing | | | | | | 13 3/8" | 403.65 | → 17 1/2 in bore | |
| Monument | X | | | | | 9 5/8" | 2272.00 | → 12 1/4 in bore | |
| Waste Mgmt. | | | | | | | | | |
| Top Hole Water | | | | | | | | | |
| Fluids Mgmt. | | | | | | | | | |
| Impoundment/pit | X | 25 PA Code § 78.56 | | | | | | | |
| Pollution Prevent | X | 35 PS 691.402 | | | | | | | |
| Residual Waste | X | 35 PS 6018.301 | | | | | | | |
| Compliance Assistance | | | Code | N/A | Code | N/A | Inspection Results | Code | |
| | | | | | | VIOLATIONS | | | |

Remarks: Arrived on site @ 11:53 all issues noted during the 05/06/2010 inspection had been addressed except:

1. Accelerated erosion of pad cut bank - (Ref 25 PA Code § 102.4(b)(1)).
 2. Not all of drilling mud spill cleaned up - 35 PS 691.402 (Clean Streams Law) & 35 PS 6018.301 (Solid Waste Act)
 3. Pit (drill pit) is below Seasonal High Water Table - (Ref 25 PA Code § 78.56)
- Evident by springs running out of pad cut slope hill side and shovel probes of site
- Discussed issues w/ Jeff Munksgard of PGE, who was on site w/ HAD drilling rig crew, and Jeff said he would get to working on issues tomorrow. I will return to the site to verify corrections next week.

| | | | |
|------------|------------------------|--|-------------|
| Sample No. | Location / Description | DEP Rep: | Date: |
| | N/A | (signature) <i>Robert W. Everett III</i> | 05/13/2010 |
| | | (print name) ROBERT W. EVERETT III | Time: 13:20 |

| | | |
|--|--|---|
| <div> <div>Company or Site: PGE</div> <div>County: Potter</div> </div> | <div> <div>Municipality: Wharton Township</div> <div>Photos Taken By: Robert W. Everett III</div> </div> | <div> <div>Date: 05/13/2010</div> <div>Case Name: Pine Hill Pad A 2413</div> <div>ID Number: 37-105-21651</div> </div> |
|  |  | <div> <div>Caption: Freshwater impoundment liner tears fixed.</div> <div>Caption: Site ID signs now conspicuously displayed.</div> </div> |
|  |  | <div> <div>Caption: Drilling mud still on the ground.</div> <div>Caption: Debris removed from the soil stockpile.</div> </div> |



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DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

INSPECTION REPORT

| | |
|---------------------------|--------------------------------|
| DEP USE ONLY | Inspection Record # 1882372 |
| Complaint Record # N/A | Enforcement Record # N/A |

| | | |
|--|-------------------------|--|
| DEP Office NCR0-606 | Phone (570) 327-3680 | Permit or Reg. # 37-105-21651 |
| Address 208 West Third Street, Suite 101 Williamsport, PA 17701 | | Project # N/A |
| Oper Name Pennsylvania General Energy Company, LLC | | Farm Name & Well # Pine Hill Pad A 2413 |
| Address 120 Market Street Warren, PA 16365 Attn: Mark Mummert | | County Potter |
| | | Municipality Wharton Township |
| | | Latitude: 41° 36' 53.28" N |
| | | Longitude: 77° 52' 35.05" W |

Inspection
Code:

☐ BDREL - Bond Release

☐ CEI - Compliance Evaluation

☐ COMPL - Complaint Inspection

☐ DRALT - Drilling or Alteration

☐ FLWUP - Follow-up

☐ PLUG - Plugging

☐ RDSPR - Road Spreading

☐ RESTR - Site Restoration

☒ RTNC - Routine

Other:

☐ Permit Expired

☐ Alt/Meth.

☐ Annulus Open

☐ Cement Returns

☒ Recommend Bond Release

Fold
Line


| Location | Insp. | Violation | Driller's Log Information | | | Depth: | Formations | | |
|-----------------------|-------|--------------------------|----------------------------|---------------------------|---------------------------|-----------------|--------------------|-------------|--|
| | | | Fresh Water Amt / Depth | Salt Water Amt / Depth | Coal Thickness / Depth | | Oil / Depth | Gas / Depth | |
| Site ID Sign | X | 58 PS § 601.201(g) | | | | N/A | | | |
| Well Tag | X | | | | | | | | |
| Distance Restrict | X | | | | | | | | |
| E/S Plan on Site | X | | | | | | | | |
| E/S Controls | X | 25 PA Code § 102.4(b)(1) | | | | | | | |
| Encroachments | | | | | | | | | |
| Site Restoration | | | | | | | | | |
| | | | Drilling / Plugging | | | | | | |
| Drilling-Plugging | | | Filling Material & Plugs | | | Casing & Tubing | | | |
| Notification | X | | From | To | Size | Pulled | Left | | |
| B.O.P. | | | | | | | | | |
| Casing | | | | | | | | | |
| Monument | | | | | | | | | |
| Permit | X | | | | | | | | |
| Waste Mgmt. | | | | | | | | | |
| Top Hole Water | | | | | | | | | |
| Fluids Mgmt. | | | | | | | | | |
| Impoundment/pit | X | 25 PA Code § 78.56 | | | | | | | |
| Pollution Prevent | X | 35 PS § 691.402 | | | | | | | |
| Residual Waste | X | 35 PS § 601B.402.301 | | | | | | | |
| Compliance Assistance | | | Code | N/A | Code | N/A | Inspection Results | Code | |
| | | | | | | VIOLATIONS | | | |




Remarks:

Arrived on site @ 11:30 am; accompanied by Mike Panettieri (O&G Inspector); weather - sunny, light breeze, high 60's - low 70's; HAS sign on site drilling well - currently down for repair. Violations noted and respective regulatory requirement they violate:

1. The site ID sign conspicuously displayed at site w/ well and operator information - 58 PS 601.201(g) [Oil & Gas Act]
2. Drilling mud spilled on site representing a potential pollution to waters of the Commonwealth - 35 PS 691.402 [the Clean Streams Law] and violating the Solid Waste Management Act Section 301 (35 PS § 601B.301)
3. HPS liner pieces and geotextile buried in soil stock piles - another 35 PS 601B.301 violation

| | | | |
|------------|------------------------|--|----------------|
| Sample No. | Location / Description | DEP Rep: | Date: |
| | N/A | (signature) <i>Robert W. Everett III</i> | 05/06/2010 |
| | | (print name) ROBERT W. EVERETT III | Time: 12:25 pm |

| | |
|---|--|
| Company or Site: PGE | Date: 05/06/2010 |
| County: Potter | Case Name: Pine Hill Pad A 2413 |
| Municipality: Wharton Township | |
| Photos Taken By: Robert W. Everett III | |
|  |  |
| Caption: Old 1941 well site sign on location, but there is not a site sign for the new wells on site. | Caption: Drilling mud spill at a tank. |
|  |  |
| Caption: Another drilling mud spill. | Caption: Pad cut bank eroding. |

| | | |
|--|---|--|
| Company or Site: PGE County: Potter | | Date: 05/06/2010 Case Name: Pine Hill Pad A 2413 ID Number: 37-105-21651 |
| Municipality: Wharton Township Photos Taken By: Robert W. Everett III | | |
|  |  | Caption: HDPE liner and geotextile buried in a soil stockpile on site. Caption: A view of one large tear in the impoundment liner (see area in circle). |
|  | | Caption: The pen marks the spot where distinct mottling was observed, you can see the original grade of the area in the top right corner of the picture. |